Colony, Noornad, the staff for leprosy survey work and the temporary dispensary at Vidurai are also proposed to be continued.

28. *Public Health.*—It is proposed to reorganise the department by dividing the State into two districts and placing each under a separate District Health Officer. Provision has also been made for the continuance of the schemes of intensive health works in 5 selected taluks which are easily affected by cholera, for the Filariasis control measures in the Shertallai Taluk, and for the appointment of 3 Public Health Nurses in three Revenue Divisions with 5 midwives for work relating to Maternity and Child Welfare and for the continuance of anti-malaria and plague preventive measures. The existing scheme of medical inspection of school children is also proposed to be continued and a provision of Rs 10,000 is made for the purpose in the Education budget.

In this connection, I may point out that the total grant for Medical and Public Health for the next year amounts to Rs 13·35 lakhs as against Rs 12·77 lakhs for the current year.

29. *Scientific and Miscellaneous Departments.*—With a view to make the Economic Development Board a really representative organisation of the economic interests in the State, enabling it to function properly and to suggest well conceived schemes of economic planning spread over a few years, Government sanctioned the reconstitution of the Board with 25 members, (10 officials and 15 non-officials) with effect from 1st Chingom 1113. One of the duties of the Board will be the organisation of Rural Reconstruction work in selected areas preferably through non-official agencies. The necessary provision has been made in the budget for the next year.

A provision of Rs 7,340 has also been made for the preparation and printing of a descriptive catalogue of the manuscripts in the Palace Granthapura and the Curator's Office, in connection with the All India Oriental Conference.

30. *Public Works.*—The allotment for ordinary Public Works expenditure for the next year including establishment charges and tools and plant is Rs 32·26 lakhs as against the current year's revised estimate of Rs 31·76 lakhs, exclusive of the provision for the Town Planning Scheme and the Council Chamber. A sum of Rs 3,500 for the investigation of a scheme for providing tube wells for the supply of drinking water in the Kalkulam and Vilavancode Taluks is included under Public Works. Full details of the works in progress and new works are given in Appendix B to the budget estimates.

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[Rao Bahadur A. Rengaswami Aiyar.]

The budget includes in addition to the ordinary provision for maintenance and repairs and for the completion of works in progress, a sum of Rs 3·62 lakhs for new works and Rs 3 lakhs for new communications, including the works to be financed out of the Road Development Fund.

Additional provision has been made in the estimates for next year for the constitution of a separate sub-division for looking after the electrical installations and their maintenance in the Government buildings at Trivandrum, Nagercoil and Kottayam with effect from 1st Chingom 1113.

31. *Devaswom Fund.*—Provision has been made for the usual contribution of Rs 16 lakhs payable to Devaswom Fund.

CAPITAL EXPENDITURE.

32. The principles governing the classification of expenditure between Revenue and Capital not charged to Revenue, and the method of financing Capital expenditure indicated in detail in para 3 of my budget speech last year have been followed this year. During the budget discussion last year, our policy in this regard was strongly criticised by certain members on the ground that it is novel and unsound in principle to debit to Capital not charged to Revenue, the expenditure on schemes which are not directly remunerative and do not yield the prescribed return on the sums invested thereon. I explained at the time that our policy in this respect was quite in accordance with the orthodox canons of finance and the practice followed in British India and elsewhere and that it was not incorrect to debit to Capital, expenditure on the creation of permanent assets of lasting public utility, which involves considerable outlay that cannot be reasonably met out of current revenues and which benefit future generations also. In further support of our position in this respect, I would invite the attention of the Honourable Members to the arrangements since adopted in the United Kingdom, of financing their huge re-armament schemes involving about 400 millions of pounds out of borrowed funds and classifying them as Capital. In British India, it will be seen that the Ministers of certain provinces are contemplating the financing of rural reconstruction and other development schemes out of Capital. There need therefore be no doubt in regard to the soundness or propriety of our policy in this respect.

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